



# TOWN OF FRAMINGHAM MASSACHUSETTS

## HOUSING POLICY LIAISON COMMITTEE

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### COMMITTEE MEMBERS

KATHERINE E. MURPHY, BOARD OF SELECTMEN  
A. GINGER ESTY, BOARD OF SELECTMEN  
SUE BERNSTEIN, PLANNING BOARD  
ANN WELLES, PLANNING BOARD

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## CITIZEN'S ADVISORY COMMITTEE Summary of August 24, 2005 Meeting

### Attendees:

M. Cohen, D. Marks, R. Ochs, H. Lemoine, L. Medrano, R. Flax, S. Orr, C. Frary, J. Perry, R. Shapiro, K. Bartolini, B. Muto, L. Sheehan, R. Patterson, J. Perry, P. Ottaviani, S. Pires, R. DeJesus, A. Wells, G. Esty, J. Barrett, J. Mello, G. Kennedy

### **1. Introduction by G. Esty**

### **2. Report by Judi Barrett, Housing Consultant**

- Information from the July 27, 2005 meeting was summarized. The number of units managed by the FHA was discussed. A three page summary was provided with the July 27<sup>th</sup> meeting summary.
- A presentation was given that discussed housing supply and demand issues, data sources, data quality and measurement, housing affordability, and trends in home ownership and rental markets. The presentation is attached to this summary.

### **3. Roundtable Discussion During and After Judi Barrett Presentation:**

- There was discussion concerning density and the point at which saturation or build-out is reached. What then happens? Redevelopment and rehabilitation occurs where older properties, underutilized commercial sites, and brownfields become targets for development. Ongoing investment in a community is key to its economic well being. No new investment leads to economically depressed areas. Therefore managed growth is a positive strategy for a community.
- There are two Framinghams – the north side and the south side. There is still a market for new residential development although the tax burden favors residential at the expense of the small business owners.
- Framingham has a lower median income than many surrounding communities. This is due to the mix of housing (high proportion of rental units) and population demographics (fewer under 18 year olds, more elderly). The highest income group typically is the two income, married couple with children. Framingham has proportionally fewer in this group than do the surrounding areas.
- There is a need for rental housing information to be provided.

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- The Route 9 commercial 'golden triangle' provides an economic tool that gives Framingham an opportunity to use money in constructive ways.
- We need to have more housing choices that fit into the neighborhoods. Two family construction brings down housing costs and makes units more affordable.
- A recently observed trend has been multiple families purchasing one home and living there. This creates overcrowding but is indicative of the high cost of housing.
- Physical appearance of properties can create a bad image. Ownership vs rental plays a role in this. More code enforcement is needed.
- We need to build housing that meets the demographics of the residents of Framingham.
- Different views were expressed concerning whether Framingham should try to provide housing for its children. Some thought that it was too bad if young people could not afford to live here while others felt it was important to provide housing choices for younger people. They are the future of Framingham.
- The high percentage of rental housing in town is a concern. This leads to deteriorated housing conditions. Reuse of older industrial properties like Dennison, are positive steps to take.
- The vacancy rate on homes is .2%. This shows high demand here and for the region. The problem is bigger than the town of Framingham and Framingham should not be expected to solve it by itself.
- Housing policies should be equitable for all parts of Framingham. Housing is important but we should not sacrifice our green spaces.
- Some residents still live in the past. Just look around, Framingham is changing and people should get used to it.
- Framingham is a slower growth community. But we can do something about affordable housing. Surrounding communities have been planning for growth.

#### **4. Conclusion**

- Next meeting will be on Wednesday September 28, 2005



# Housing Demand

## Framingham Housing Plan

## Housing Demand

- Some “demand” concepts
  - In census terms, “household” is the same as “occupied housing unit”
  - Planning for demand is planning for supply to accommodate estimated number of households, given factors such as:
    - Household size & composition
    - Household income
    - Householder age
    - Housing preferences
    - Journey to work

## Housing Demand

- Influenced by:
  - Population growth & household formation rates
  - In-migration – generally driven by employment
  - Length of time households occupy their current residence
  - Marketable Products
    - Turnover of existing housing stock
    - New construction
  - Prices and interest rates

## Housing Supply

- Some “supply” concepts
  - Total supply = occupied plus vacant housing units
  - Available supply = vacant units available for sale or rent, including existing units and new construction
  - Available supply excludes:
    - Vacant units seasonally occupied, e.g., vacation homes
    - Units vacant but not available in the market, e.g., mothballed housing units on closed military bases

## Available Supply

- Vacancy Rates
  - General Indicators
    - <2.0% for sale
    - 5.0%-6% for rent
  - Census 2000
    - In Framingham:
      - » Homeownership vacancy rate: 0.2%
      - » Rental vacancy rate: 1.7%
    - In Massachusetts:
      - » Homeownership vacancy rate: 0.2%
      - » Rental vacancy rate: 3.5%

## Data Sources

- Census Bureau:
  - Decennial census, data available at many geographic levels
  - Housing Vacancy Survey (HVS), annual & quarterly data available for U.S., states, regions, nation's largest cities.
  - American Community Survey
- HUD: U.S. Housing Market Conditions Report
- Industry Sources, e.g., Mass. Association of Realtors
- Academic/Think-Tank Sources

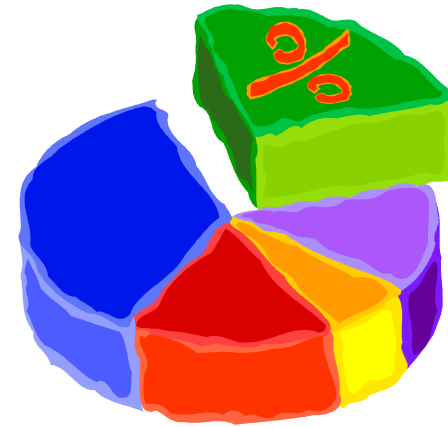


*What does all of this mean?*



## Measurement Challenges

- Data collected at different intervals (time periods)
- Data not collected the same way
- Not all sources available at same geographic levels
- Not all sources available for public use
- Some sources report statistics, but not original (raw) data



## More Measurement Challenges

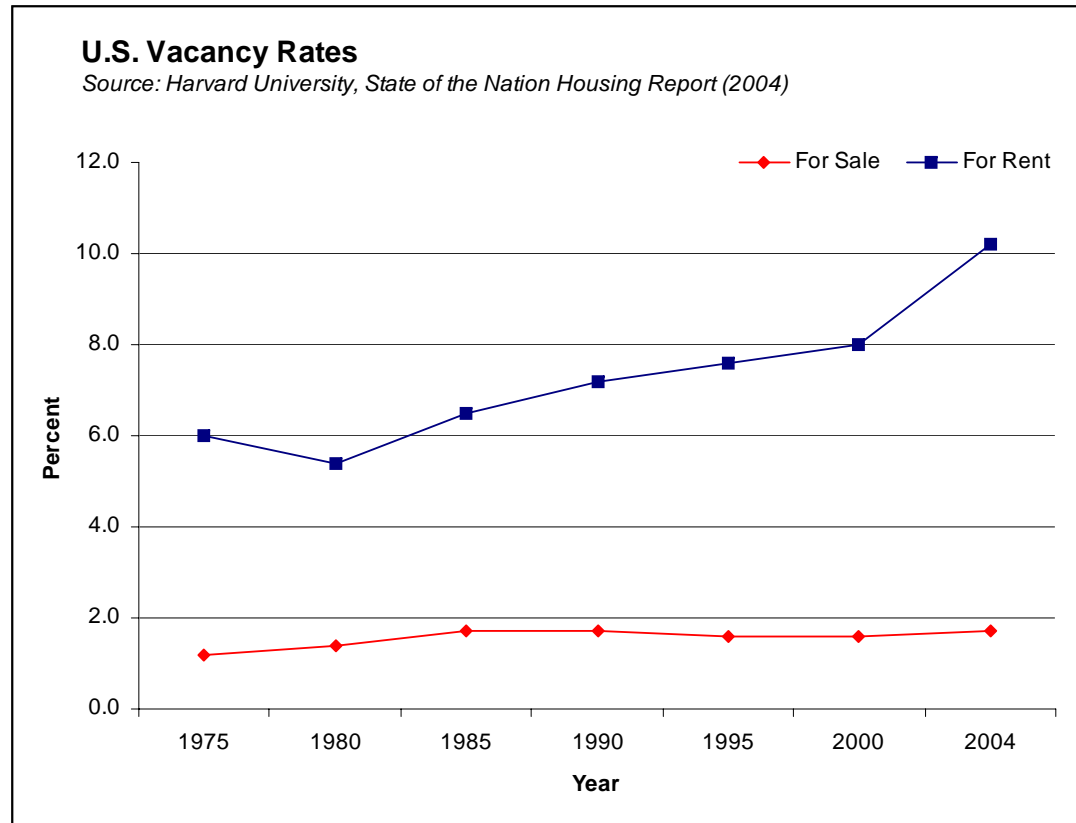
- Disagreements about how to measure “demand” for affordable housing
- Many towns have relatively affordable supply, measured by value of existing occupied units and sale prices or rents for available vacant units
- However, not all relatively affordable occupied units are occupied by lower-income households
- Also, relatively affordable vacant units not always of good quality or suitable for family size/composition
- What makes a unit affordable, anyway?

## Defining Affordability

- Measured by Housing Costs % Household Income
  - Federal/state definitions apply to households at or below 80% AMI
  - 30% of gross monthly income has been generally accepted standard for about 25 years
  - Housing costs >50% of gross income generally referred to as “severe” cost burden
  - Considering 30% standard & income-eligible households, demand in Massachusetts is about 2.8 times number of units required for all communities to reach 10% under Chapter 40B

## National Trends

- Vacancy rates up 1980-1990
- Up again 1990-2000, but less dramatic increase
- Since 2000:
- Homeownership vacancy up slightly, rental vacancy up significantly
- But state & Middlesex County experience somewhat different from nation's



## Regional Trends

- Homeowner and rental markets generally tight in Northeast & Midwest
- Greater Boston area, 1998-2001:
  - Rents rose 7% per year
  - For-sale home prices, about 50% in three-year period
- Since 2001:
  - Rental vacancy rate up from 2.4% to 6%+/-
  - Homeownership vacancy rate continued to decline, now <0.6%

## Anecdotes

- Rental market soft, some approved rental projects not under construction
- Over-55 market approaching saturation in affluent suburbs and along I-495 – not so for assisted living and supportive housing for the elderly
- Vacancy rates up slightly in Middlesex County, down slightly in Worcester County
- In reverse: household formation rates down slightly in Middlesex County, up slightly in Worcester County

## Issues & Food for Thought

- Maturely developed suburbs have very little land left to develop. New construction not always a viable option for meeting housing demand.
- Market perception based on a combination of truth and mythology...for towns trying to address particular elements of market demand and/or capture segments of the market, how much control do they have over perception?
- Housing, employment and transportation are inextricably related. To what extent can any housing strategy succeed without links to economic development?

## For Framingham: Policy Issues

- What factors should we look at when deciding the mix?
- Should we look at tenant needs? Landlord needs? Owner needs?
- How much should we focus on...
  - Long-time residents? On short-term residents?
  - On newcomers? On young? On old?

## Framingham Rental Market

The New England Apartment Guide Directory, contact with local apartment complexes and service agencies, and Micro-film of the Metrowest Daily News between January 2000 and August 2004 suggests that Framingham's rental market has tightened since 2004 with rental costs not fluctuating significantly with demand (see Table 1.).

## Inventory, Future Projects, and Existing Permits

\*Subsidized housing units constitute 10.06% of Framingham's 26,588 year round housing. According to the state's 2005 Subsidized Housing Inventory, 2,676 subsidized units in Framingham qualified under M.G.L. Chapter 40B as follows:

- 1,069 owned and managed by the housing authority
  - 671 elderly units
  - 24 disabled units
  - 374 family units
- 1,607 privately owned developments

Changes in housing inventory from 2000 to 2005 as follows:

- 29 units of affordable housing lost through transfer of ownership or expiration of restrictions on property no longer having permanent affordability provisions.

Future housing units and existing permits:

### 1. Arcade Project

Market Rate (80%)			Affordable Rate (20%)		
Type	Qty	Rent/mo.	Type	Qty	Rent/mo.
1-BR	94	\$1,304	1-BR	23	\$1,040
2-BR	138	\$1,749	2-BR	35	\$1,375
	232			58	
Vacancy (5%)			Vacancy (5%)		
			Total Housing Units 290		

2. Jewish Community Housing for the Elderly
  - Comprehensive permit issued for 150 units (60% affordable)
3. Danforth Farms Planned Unit Development
  - Special permit for 525 housing units (10% affordable)

\*Source: Town of Framingham Urban Center Housing Tax Increment Financing Plan





Table 1. Apartment Complexes and Rental Data

Apartment Complex/ Rental Service	# of Units	Units Available	Past Vacancy	2001-2005 Rent Range	May, July, 2005 S,1,2,3 Range	Source
Bayberry Hill Estate Rentals	424				\$899-\$1799 (S-3 BR)	3
Georgetown	279	very few		\$790-\$1375	From \$799 (S-2 BR)	1
	incl.					
Granada	above			\$790-\$1375	From \$799 (S-2 BR)	1
Edgewater Hills					\$950-\$1570 (S-2 BR)	2
Edgewater Terrace	300			\$1020- \$1600	\$975-\$1750 (S-2 BR)	1, 2
Edgewater Village	281	3%	7%	\$1020- \$1600	S \$975-\$1000	1, 3
					1 BR \$1175-\$1395	
					2 BR \$1495-\$1850	
Cronin's Landing (Waltham)	281			\$1450- \$3500	1 BR from \$1600	1, 2
					2 BR from \$1800	
Avalon West (Westborough)					From \$1250	2
				\$1045- \$1730		
Chapel Hill	180					1
Edmands House Apartments	190	10%	same	stable	\$975-\$1175 (1-2 BR)	3
Hamilton Village	184	0	0-3%		S \$800	3
					1 BR \$995	
					2 BR \$1200	
Sovereign Apartments	225	0	0	slightly< 2005	S \$899	3
					1 BR \$999	
					2 BR \$1099-\$1199	
Bennett's	160	1		3 yr. stable prices	1 BR \$650-\$925	3
					2 BR \$800-\$1150	
Claflin House Apartments	40	0	0	30% income	30% income	3

1. Planning department research 2001
2. The New England Apartment Guide Directory, May 2005 edition
3. Office contact, July 2005